Government of Saskatchewan

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July Cattle Market Update

For the Week Ending August 1, 2014

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		400-500	500-600	600-700	700-800	800-900
July 2 - 31/2014	Average	$248.67	$246.93	$234.53	$217.08	$196.54
June 6-27/2014	Average	$238.61	230.77	$219.43	$202.54	$183.30
Month/Month	Change	$10.06	$16.16	$15.10	$14.54	$13.24
Feeder Heifers		**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**
July 2-31/2014	Average	$228.67	$226.72	$214.13	$195.33	$178.67
June 6-27/2014	Average	213.06	213.28	201.72	184.29	168.89
Month/Month	Change	$15.61	$13.44	$12.41	$11.04	$9.78

Note: Prices are determined from Saskatchewan auction marts' reports of sale results

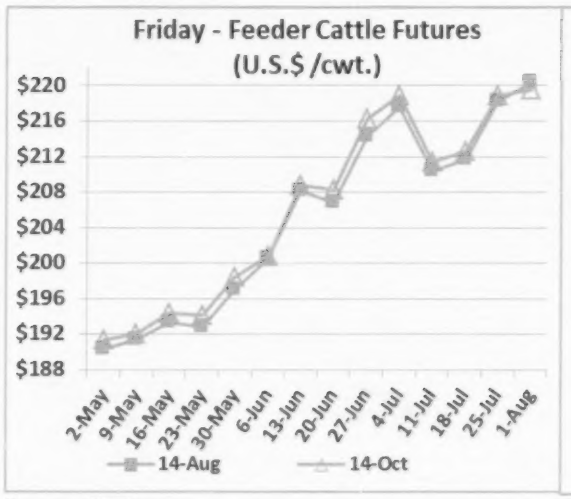
Canfax reported that a total of 12,257 head of cattle were sold in Saskatchewan over the last five weeks ending August 1, 2014, down from 16,903 head marketed in June 2014. While cattle volumes were seasonally lower, cattle prices continued to move higher in July.

Saskatchewan feeder cattle prices continued higher through July 2014, reaching new all-time high record prices. With lower cattle volumes some weight categories did not have enough sales to report pricing in some of the weeks in July. All feeder steer weight categories established new record high prices in July ranging from $10 -$16 per cwt higher. The feeder heifers also established new record high prices in July with similar gains as the feeder steers.

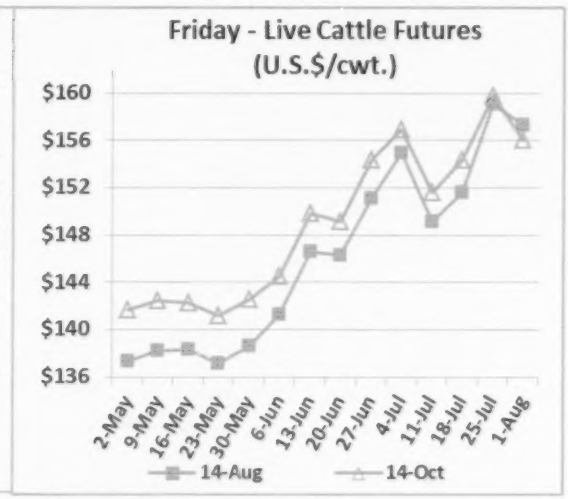
The Saskatchewan 750 lb. feeder steer basis compared to the August 1, 2014 U.S. feeder cattle index at US$225.68 per cwt was calculated at -$29.51 per cwt (US$225.68/0.9152 -$217.08), a basis widening of $12.99 per cwt from -$16.52 per cwt on June 26, 2014.

Feeder cattle futures prices continued to move higher in July reaching new all-time record high prices. The August contracts increased US$7 per cwt and the October 2014 contract increased US$3.705 over the month, ending August 1, 2014. The August contract settled Friday at US$221.325 while the October contract settled at US$219.975 per cwt. High live cattle future prices, lower corn prices, and continued tight cattle supplies were the main factors pushing feeder cattle future prices higher again this month.

Live cattle futures prices were mostly higher in July establishing new all-time high record prices. The August live cattle future contracts increased by US$7.43 per cwt in July to settle August 1, 2014 at 158.550. October live cattle futures prices continued US$1.60 higher through July settling Friday at US$155.950. Record choice beef cutout values and continued reductions in beef production expected in the U.S. helped live cattle futures prices move higher.



Source: CME



Source: CME

Iowa cash corn prices and the nearby corn futures were lower in July by approximately 20 per cent across the board. The Iowa cash price dropped 83 cents over the four weeks with the Iowa State Average on August 6 being 3.45 per bushel. The September corn futures declined over 91 cents settling Friday at US$3.52½ per bushel. The December contract settled at $3.62¼ per bushel, 80 cents lower than June 27, 2014.

Fed and Non-fed Cattle

	August 1	June 27	Change In July
Cows (Alberta)			
D1,2 Live	125.33	110.38	+14.95
D3 Live	110.67	98.60	+12.07
Rail	235-240	206-211	+28.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta over the last four weeks ending August 1 continued higher reaching new all-time high record prices. Over the last four weeks D1,2 slaughter cows increased $15 per cwt to average $125.33 per cwt, while the price of D3 slaughter cows increased $12 per cwt to average $110.67 per cwt.

Fed cattle prices in Western Canada have generally been higher over the last four weeks ending August 1, 2014. Supply has been tight for cash cattle which has resulted in no prices reported this week. For the week ending July 25, 2014 the price of fed steers in Alberta was reported to average $164.36 per cwt, up $8.72 per cwt from $155.64 per cwt from the week of June 27, 2014. This is a new all-time high record price for fed steers in Alberta. With these record prices

producers have sold their finished cattle in the previous weeks and remain very current in their inventory.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. continued to set new record high prices in July and was reported at US$162.86 per cwt for the week of August 1, up US$8.54 per cwt from US$154.32 per cwt June 27, 2014, and up 35.3 per cent from US$120.35 per cwt the same week a year ago. Fed steer prices over the four weeks ending June 27 increased by almost US$10 per cwt. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$256.33 per cwt, down US$0.21 per cwt from US$256.54 per cwt the previous week, and up 31.95 per cent from US$194.27 per cwt the same week a year ago. Dressed steer prices in the U.S. over the four weeks in July increased by US$6.89 per cwt.

Choice beef cutout prices (600-900 lb.) averaged US$262.06 per cwt for the week ending August 1, a new all-time high record price, up US$8.29 per cwt from US$253.77 per cwt the previous week, and up 40.38 per cent from US$186.68 per cwt the same week a year ago. Beef cutout prices over the four weeks in July increased by over US$14 per cwt.

U.S. weekly beef production for the week ending August 1, 2014 averaged 460.2 million lb., down 6.96 per cent from 494.6 million lb. over the same week in 2013.

On July 25, 2014, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for July 1, 2014.

July 1, 2013 and 2014, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2013	2014	Per cent of previous year
On feed June 1	10,767,000	10,594,000	98.0
Placed during June	1,551,000	1,455,000	94.0
Marketed during June	1,880,000	1,847,000	98.0
Other disappearance during June	63,000	75,000	119.0
On feed July 1	10,375,000	10,127,000	98.0

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in June 2014 was 1.455 million head, down 6.0 per cent from 1.551 million head in June 2013, but down 23.9 per cent from 1.912 million head in May 2014. The number of fed cattle marketed in June 2014 was 1.847 million head, down 2.0 per cent from 1.880 million head in June 2013, and down 1 per cent from 1.865 million head marketed in May 2014. The cattle on feed for July 1, 2014 were estimated at 10.127 million head, 2.4 per cent below the July 2013 inventory numbers, and 4.4 per cent below the June 2014 numbers.

Friday Price Information

Product		Week of: (August 1)	Week of: (June 27)
Canadian Dollar (closing rate US$)		.9152	.9378
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		225.68	213.37
Seven-day Weighted Average FC Index Wt. (lb.)		764	751
Live Fed 5-area Steer Price (US$ per cwt)		162.86	154.32
Feed Grains			
Barley	Lethbridge ($/tonne)	180.00	190.00
	($ per bu.)	3.92	4.14
Corn	Iowa State Average (CDN$/tonne)*	148.40	179.67
	(US$ per bu.)	3.45	4.28
	Omaha, NE (CDN$/tonne)*	146.68	183.45
	(US$ per bu.)	3.41	4.37
Futures			
	Sept. Corn (US$ per bu.)	3.52½	4.42¼
	Dec. Corn (US$ per bu.)	3.62¼	4.47¼
	August Live Cattle (US$ per cwt)	158.550	151.120
	October Live Cattle (US$ per cwt)	155.950	154.350
	August Feeder Cattle (US$ per cwt)	221.325	214.320
	October Feeder Cattle (US$ per cwt)	219.975	216.270

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

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